REFINITIV CASE STUDY

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## How one company uses one-stop FX management solution to mitigate currency volatility

**Highly Commended**
**Best Foreign Exchange Solution**

**Haier Group**
**Shao Xinzhi**
**Head of Group Treasury**

### Adam Smith awards **Haier Group** Highly Commended Winner for Best Foreign Exchange Solution

**Company profile**

Haier Group Corporation is a Chinese collective multinational consumer electronics and home appliances company headquartered in Qingdao, China. It designs, manufactures and sells a full range of smart appliances including refrigerators, washing machines, air conditioners, water heaters, kitchen appliances and small appliances, while also focusing on channel integrated services.

Wang Ningning, Haier Group and Bruce Nie, Refinitiv

**The challenge**

In financial markets where black swan and grey rhino events have occurred more in recent years, FX volatility is increasing and becoming much more unpredictable, posing a severe challenge for FX risk management. The management of global FX risk exposures now plays a much more important role. This requires a step-change in company levels of professionalism, automation and use of information in their FX workflows globally.

Haier

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The FX risk management function under Haier Group's treasury now controls 22 countries and areas and 20 currency pairs. Their centralised management is difficult due to the wide range of regions and currencies, while the traditional analysis and management from manual booking does not keep up with the current business development demand.

### The solution

Haier Group treasury has succeeded in establishing an intelligent risk management model, covering the whole process by connecting with the internal accounting system and funds settlement system and externally linking the financial data resources (such as Refinitiv) and more than ten global banks.

The new platform enables timely analysis by obtaining the latest FX prices and news. It creates risk management scenarios and simulations which then quantifies the FX risk combining the real-time business exposure. Users can then interact with the managers to respond and dynamically adjust their hedging strategy. It closes the loop for the whole end-to-end process from the business demand to execution and accounting treatment.

Haier Group treasury has succeeded in upgrading in terms of intelligence, digitisation and productivity. The solution also empowers its Internet of Things (IoT).

The pre-trade (Eikon) platform for FX forwards pricing, sourced IBOR benchmarks and global market insight and FX Trading (FXall) platform for multi-bank RFQ FX forwards were key components of this solution.

### Best practice and innovation

This is a bi-lingual solution (Chinese and English) which delivers an intelligent one-stop global FX management model covering the entire process including:

- FX exposure identification and information platform.
- Real-time market pricing connecting to the banks' e-trading platform or FXall with automated deal execution.
- Settlement and accounting automation.

### Key benefits

- Response times improved by 20%.
- FTE savings – 300 hours per annum for a single worker.
- Improved exposure management.
- Increased productivity.
- Impact of FX volatility mitigated.

Haier Group treasury has applied end-to-end innovation to implement a new enterprise level foreign exchange risk management. The solution has enabled its FX risk management team to manage global FX flows and risk management and at the same time raise the professionalism of the treasury team, automate FX processes and make use of real-time information to better manage global FX.

All Haier subsidiaries and companies will gradually be brought into the unified system of FX management which will enable the whole global FX risk to be controlled. It enables risk identification, monitoring and better management of outcomes following up our one-stop management of big data analysis.

Refinitiv is one of the world's largest providers of financial markets data and infrastructure, serving over 40,000 institutions in over 190 countries. It provides leading data and insights, trading platforms, and open data and technology platforms that connect a thriving global financial markets community – driving performance in trading, investment, wealth management, regulatory compliance, market data management, enterprise risk and fighting financial crime.

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